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FORMER SUISUN CITY MAN FOUND GUILTY OF FILING FALSE CLAIM WITH IRS IN SOCIAL SECURITY AND INCOME TAX SCHEME

FRESNO--United States Attorney McGregor W. Scott and Special Agent-in-Charge of the Internal Revenue Service - Criminal Investigation, Oakland Field Office, Roger L. Wirth, announced today that a federal jury returned a guilty verdict regarding EUGENE JOSEPH KOZIOL late Friday afternoon after a one-day trial in Fresno. KOZIOL was found guilty of filing a false claim with the IRS for \$319,881 in early 2001.

This case is the product of an extensive investigation conducted by special agents of the Internal Revenue Service-Criminal Investigation division (IRS-CI). The investigation began in early 2001, after an alert IRS-CI employee began looking into the claimed refund and the U.S. Treasury check that was sent to KOZIOL's then residence in the amount of \$319,881.

According to Assistant United States Attorney Jonathan Conklin, who prosecuted the case, the evidence at trial, showed that KOZIOL, 70, formerly of Suisun City and now residing in Blairsden, California, owned and operated a private mailbox service on Lakeshore Avenue in Oakland, California with his wife. On or about February 9, 2001 KOZIOL requested information from the Social Security Administration (SSA) and the IRS about his lifetime earnings and other income, which he then estimated to be approximately \$845,500. A few days later, the defendant submitted an IRS Form SS-4, requesting that an Employer Identification Number (EIN) be issued for a trust in the name of EUGENE JOSEPH KOZIOL TRUST. KOZIOL and his residence address were listed as the trustee and the correct address on the form filed with the IRS. After receiving an EIN from the IRS, KOZIOL submitted an IRS Form 1041, U.S. Income Tax Return of Estates and Trusts, for the Calendar year 2000, for the EUGENE JOSEPH KOZIOL TRUST containing the EIN he had received. The return listed the defendant "Eugene Joseph Koziol/Trustee" as the "fiduciary," and the reported income in the amount of \$845,500 as well as expenses, labeled as "fiduciary fees," in the amount of \$845,500. The return also listed as "Federal Income Tax Withheld," \$319,881. The falsely claimed refund was sent to KOZIOL's residence in the form of a United States Treasury Check on approximately May 15, 2001. Approximately two weeks later, on June 1, 2001, IRS agents served a search warrant at KOZIOL's residence at 4094 Green Valley Road, Suisun City, California located approximately 40 miles east of Oakland. During the search, agents found evidence of the defendant's bank accounts at US Bank, and instituted proceedings to freeze the funds in the accounts. The IRS was able to recoup almost all of the \$319,881 from the bank accounts.

The IRS has seen this type of false refund scheme before and according to IRS-CI Special Agent-in-Charge, Roger L. Wirth, "Taxpayers shouldn't fall victim to a scam offering them refunds of the taxes they have paid during their lifetimes. The law does not allow such a refund of taxes paid. The IRS processing centers are alert to this hoax and have been stopping the false claims and the IRS will continue to work with the U. S. Attorney's Offices to have those who intentionally violate the law, prosecuted to the fullest extent of the law."

KOZIOL is scheduled to be sentenced by United States District Judge Oliver W. Wanger in federal court in Fresno on January 30, 2006, at 1:30 PM.

To report tax fraud to the Internal Revenue Service, call 1-800-829-0433. To learn more about tax fraud, visit the IRS website at <http://www.irs.gov> keyword criminal investigation.

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